

ALASKA ECONOMIC

TRENDS

August 2002

The Trends 100

Alaska Department of Labor
and Workforce Development

Tony Knowles
Governor of Alaska

ALASKA ECONOMIC TRENDS

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Ed Flanagan, Commissioner of Labor
and Workforce Development**

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Cover photo, Alaska Airlines jet at Juneau Airport, by Lynda Giguere

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Providence Health System tops Alaska's largest private sector employers in 2001

After many years of steady, rapid climb, Providence Health System in Alaska grabbed the top spot on the *Trends 100* list in 2001. With a workforce of 3,369, it is now Alaska's largest private sector employer. (See Exhibit 1.) Providence's ascendance was anticipated a number of years ago, but was temporarily delayed when Safeway bought Carrs. Ten years ago Providence had a workforce of 1,824. Most of Providence's gains have come from steady growth in their Anchorage facility, but over the years they have also acquired or partnered with health care facilities elsewhere in the state.

Seven new players make this rarefied list

A new group of seven employers joined the *Trends 100* in 2001. (See Exhibit 3.) Nearly all of these players made the list by growing steadily over the years. The exception was Agrium, created in 2000 when it was spun off of Unocal (also a *Trends 100* employer). With 292 employees it was large enough to stand on its own. Two of the new players come from the non-profit sector, the Association of Village Council Presidents based in Bethel, and Southcentral Counseling, based in Anchorage. Fritz Companies, a provider of international customs and other services, owned by United Parcel Service, simply grew large enough. Home Depot, Blockbuster and Subway of Alaska also grew large enough to join this group. Home Depot will open a new store in Fairbanks this year, which will insure their ranking will continue to climb.

...And seven players from last year fell off the list

Employment for some of last year's players fell enough to cause them to slip off the list. A few *Trends 100* employers closed their doors. Both Alaska Market Place and Reeve Aleutian Airways went out of business. Alaska Market Place's existence was short, but Reeve was a *Trends 100* employer since the list's inception. United Airlines dropped off because they got out of the cargo business. The tough timber environment knocked off the *Trends 100*'s last timber employer—Silver Bay Logging.

13 employers moved up the ranks by 10 or more places

This year's group of climbers was particularly large—the biggest in over a decade. (See Exhibit 4.) Some of these employers simply grew quickly and others acquired or merged with other companies. Four were tied to the oil industry: Nabors, Schlumberger, Halliburton and Udelhoven. Besides the fact that 2001 was a good year for most of Alaska's oil patch employers, a number of these companies merged. Three of the fast growers were in non-profit health care or the social services sector: the Yukon-Kuskokwim Health Corporation, the Alaska Native Tribal Health Consortium, and ARC of Anchorage. The Health Consortium's meteoric rise comes as a result of the privatization of the Alaska Native Hospital in Anchorage—in fact they made the *Trends 100* list only last year. An increase in federal funds has

(continued on page 6)

1 Alaska's 100 Largest Private Employers 2001

Rank	Firm Name	Employment	Headquarters or Largest Business Activity	Work Site	Web Site Address
1	Providence Health System in Alaska	3,369	Hospital/Medical Center	Anchorage*	www.providence.org/alaska
2	Safeway Stores/Carrs	3,252	Grocery	Anchorage*	www.safeway.com
3	Fred Meyer	2,262	Grocery/General Merchandise	Anchorage*	www.fredmeyerstores.com
4	Wal-Mart/Sam's Club	2,178	General Merchandise/Grocery	Anchorage*	www.walmartstores.com
5	Alaska Airlines	1,833	Air Carrier	Anchorage*	jobs.alaskaair.com
6	VECO Operations	1,535	Oil Field Services	Anchorage*	www.veco.com
7	Banner Health System	1,191	Hospital/Medical Center	Fairbanks*	www.bannerhealth.com
8	BP Exploration	1,147	Oil & Gas Production	Anchorage*	www.bpamocojobs.com
9	Federal Express	1,121	Airfreight/Courier Service	Anchorage*	www.fedex.com/us/careers
10	Alaska Petroleum Contractors	1,105	Oil Field Services	Anchorage*	www.natchiq.com/apc
11	NANA Marriott, Joint Venture	992	Catering/Hotels	Anchorage*	www.nana.com
12	Alyeska Pipeline Service Company	992	Pipeline Transportation	Fairbanks*	www.alyeska-pipe.com
13	Alaska Communications Systems (ACS)	984	Communications	Anchorage*	www.acsalaska.com
14	Yukon-Kuskokwim Health Corporation	940	Health Care	Bethel*	www.ykhc.org
15	Phillips66	919	Oil & Gas Production	Anchorage*	www.phillips66.com
16	GCI Communications	902	Communications	Anchorage*	www.gci.com
17	Kmart	856	General Merchandise	Anchorage*	www.kmart.com/corp
18	Alaska Regional Hospital	851	Hospital/Medical Center	Anchorage*	www.alaskaregional.com
19	Wells Fargo	839	Banking	Anchorage*	www.wellsfargo.com
20	Southcentral Foundation	749	Social Services/Health Care	Anchorage*	www.ak-scf.org
21	First National Bank of Alaska	741	Banking	Anchorage*	www.fnbalaska.com
22	Alaska USA Federal Credit Union	735	Credit Union	Anchorage*	www.alaskausa.com
23	Nabors Alaska Drilling Company	735	Oilfield Services	Anchorage*	www.nabors.com
24	Spenard Builders Supply	720	Building Products	Anchorage*	www.sbsalaska.com
25	Peak Oilfield Service Company	703	Oilfield Services	Anchorage*	www.ciri.com/jobs/jobs.htm
26	ERA Aviation	694	Air Carrier	Anchorage*	www.era-aviation.com
27	Alaska Commercial Company	657	Grocery/General Merchandise	Anchorage*	www.alaskacommercial.com
28	UniSea	641	Seafood Processing	Dutch Harbor	www.unisea.com
29	Icicle Seafoods	636	Seafood Processing	Petersburg*	www.icicleseafoods.com
30	Tanana Chiefs Conference	632	Social Services/Health Care	Fairbanks*	www.tananachiefs.com
31	Sears Roebuck	631	General Merchandise	Anchorage*	www.sears.com
32	Costco	628	General Merchandise/Grocery	Anchorage*	www.costco.com
33	Doyon/Universal Ogden, Joint Venture	622	Catering/Security	Anchorage*	www.doyon.com
34	Southeast Alaska Regional Health Corp.	621	Health Care	Juneau*	www.searhc.org
35	Laidlaw Transit	574	School/Charter Bus Company	Anchorage*	www.laidlawtransitservices.com
36	Anchorage Daily News	554	Newspaper	Anchorage*	www.adn.com
37	North Pacific Processors	544	Seafood Processing	Kodiak*	www.ppsf.com
38	Alaska Native Tribal Health Consortium	544	Hospital/Medical Center	Anchorage*	www.anthc.org
39	Peter Pan Seafoods	542	Seafood Processing	King Cove*	www.ppsf.com
40	Williams Express	518	Retail/Gas Stations	Anchorage*	www.williams.com
41	Aramark Leisure Services	509	Catering/Concessionaire	Denali Park*	www.aramark.com
42	Houston/NANA Joint Venture	506	Oilfield Services	Anchorage*	www.nana.com
43	Hope Community Services	506	Social Services	Anchorage*	www.hopealaska.org
44	Alyeska Resort	504	Hotel/Resort	Girdwood/Anch	www.alyeskaresort.com
45	McDonalds Restaurants of Alaska	490	Eating Establishment	Anchorage*	www.mcdonalds.com/careers
46	Manillaq Association	489	Social Services/Health Care	Kotzebue*	www.manillaq.org
47	The Alaska Club	489	Health Club	Anchorage*	www.thealaskaclub.com
48	Northwest Airlines	474	Air Carrier	Anchorage*	www.nwa.com/corpinfo
49	Cominco Alaska	469	Mining	Red Dog Mine*	www.cominco.com
50	Valley Hospital	467	Hospital/Medical Center	Palmer*	www.valley-hosp.com

*Have work locations in multiple communities.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Alaska's 100 Largest Private Employers

2001 — (continued)

Rank	Firm Name	Employment	Business Activity	Headquarters or Largest Work Site	Web Site Address
51	Pizza Hut	460	Eating Establishment	Anchorage*	www.pizzahut.com
52	Westmark Hotels	436	Hotel	Anchorage*	www.coolworks.com/westmarkhotels
53	Alaska Hotel Properties (Princess Hotels)	431	Hotel	Denali Park*	www.princessalaskalodges.com
54	United Parcel Service (UPS)	421	Airfreight/Courier Service	Anchorage*	www.ups.com
55	Burger King	418	Eating Establishment	Anchorage*	www.burgerking.com
56	Norton Sound Health Corporation	415	Health Care	Nome*	www.nshcorp.org
57	PenAir	415	Air Carrier	Anchorage*	www.penair.com
58	Norquest Seafoods	402	Seafood Processing	Ketchikan*	www.norquestseafood.com
59	Salvation Army-Alaska	394	Social Services	Anchorage*	www.salvationarmy.org
60	Schlumberger Technologies	390	Oil Field Services	Anchorage*	www.slb.com
61	Westward Seafood	382	Seafood Processing	Unalaska*	www.westwardseafoods.com
62	Chugach Electric Association	374	Utility Company	Anchorage*	www.chugachelectric.com
63	Wards Cove Packing Company	369	Seafood Processing	Naknek*	www.wardscove.com
64	Tesoro Northstore Company	369	Retail/Gas Stations	Anchorage*	www.tesoropetroleum.com
65	AT&T/Alascom Inc	356	Communications	Anchorage*	www.att.com/hr/employment
66	Denali Foods (Taco Bell)	354	Eating Establishment	Anchorage*	www.tacobell.com
67	Halliburton Energy Services	353	Oil Field Services	Anchorage*	www.halliburton.com
68	Assets	352	Social Services	Anchorage	www.assetsinc.org
69	Carlile Enterprises	348	Trucking/Warehousing	Anchorage*	www.carlilekw.com
70	Hotel Captain Cook	345	Hotel	Anchorage	www.captaincook.com
71	Bristol Bay Area Health Corp	344	Health Care	Dillingham*	www.ihs.gov
72	Ocean Beauty Seafoods	342	Seafood Processing	Kodiak*	www.oceanbeauty.com
73	Fairbanks Gold Mining Company (Ft. Knox)	341	Mining	Fairbanks	www.kinross.com
74	Royal Highway Tours	335	Tour Buses	Anchorage*	www.coolworks.com/princess_tours
75	Rural Alaska Community Action Program	335	Social Services	Anchorage*	www.ruralcap.com
76	Hilton Anchorage	332	Hotel	Anchorage	www.hilton.com/corporate/employment
77	Facility Management Of Alaska	326	Public facility management	Anchorage*	www.sullivanarena.com
78	Union Oil of California (Unocal)**	324	Oil Production	Anchorage*	www.unocal.com
79	Chugach North Technical Services	323	Personnel Services	Anchorage*	www.cnts.net
80	Ketchikan General Hospital	323	Hospital/Medical Center	Ketchikan	www.peacehealth.org
81	ARC of Anchorage	313	Social Services	Anchorage	www.arc-anchorage.org
82	CSX-Lines	302	Shipping and Warehouse	Anchorage*	www.csxlines.com/wwwsite
83	J C Penny Company	300	Apparel	Anchorage*	www.jcpenneyinc.com/company/career
84	Agrium U.S.	292	Chemicals/Fertilizer	Nikiski	www.agrium.com
85	Swissport	300	Airport Services	Anchorage	www.swissport.com/noflash.shtml
86	Cook Inlet Processing	295	Seafood Processing	Nikiski*	www.polarnet.com/~cipkod
87	Anchorage Cold Storage	290	Wholesale/Grocery	Anchorage*	www.odomcorp.com
88	Matanuska Telephone Association	289	Telephone Communications	Palmer*	www.mta-telco.com/jobs.htm
89	Nordstrom	287	Department Store	Anchorage	www.nordstrom.com
90	Udelhoven Oilfield System	286	Oil Field Services	Anchorage*	www.udelhoven.com
91	Subway of Alaska	270	Eating Establishment	Anchorage	www.subway.com
92	Fairbanks Native Association	268	Social Services	Fairbanks	www.fairbanksnative.org
93	Greens Creek Mining Company	266	Mining	Juneau	www.kennecottminerals.com
94	Association of Village Council Presidents	259	Social Services	Bethel*	www.avcp.org
95	Fritz Companies	255	Transportation Services	Anchorage	www.fritz.com
96	HomeDepot	255	Building Products	Anchorage	www.homedepot.com
97	Blockbuster Video	255	Entertainment Services	Anchorage*	www.blockbuster.com
98	Southcentral Counseling Center	250	Health Care	Anchorage	www.southcentralcounseling.org
99	ABM Company of the West	249	Facilities Management	Anchorage*	www.abm.com
100	Northern Air Cargo	249	Air Transportation	Anchorage*	www.northernaircargo.com

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

2 Trends 100 by Industry

2001 employment

(continued from page 3)

	Employment
MINING	
Hard Rock Mining	
Cominco Alaska	469
Fairbanks Gold Mining Company (Ft. Knox)	341
Greens Creek Mining Company	266
Oil & Gas	
VECO Operations	1,535
BP Exploration	1,147
Alaska Petroleum Contractors	1,105
Phillips 66	919
Nabors Alaska Drilling	735
Peak Oilfield Service Company	703
Houston/NANA, Joint Venture	506
Schlumberger Technologies	390
Halliburton Energy Services	353
Union Oil of California (Unocal)	324
Udelhoven Oilfield System	286
MANUFACTURING	
Seafood Processing	
UniSea	641
Icicle Seafoods	636
North Pacific Processors	544
Peter Pan Seafoods	542
Norquest Seafood Company	402
Westward Seafood	382
Wards Cove Packing Company	369
Ocean Beauty Seafoods	342
Cook Inlet Processing	295
Other Manufacturing	
Anchorage Daily News	554
Agrium U.S.	292
TRANSPORTATION, COMMUNICATIONS, UTILITIES	
Air Transportation	
Alaska Airlines	1,833
Federal Express	1,121
ERA Aviation	694
Northwest Airlines	474
United Parcel Service (UPS)	421
PenAir	415
Swissport	300
Fritz Companies	255
Northern Air Cargo	249
Communications & Utilities	
Alaska Communications Systems	984
GCI Communications	902
Chugach Electric Association	374
AT&T/Alascom	356
Matanuska Telephone Association	289
Other Transportation	
Alyeska Pipeline Service Company	992
Laidlaw Transit	574
Carlile Enterprises	348
Royal Highway Tours	335
CSX Lines	302
TRADE	
Eating & Drinking	
NANA/Marriott, Joint Venture	992
Doyon/Universal Ogden, Joint Venture	622
Aramark Leisure Services	509
McDonalds	490

helped many of these nonprofits to grow. McDonalds grew because of a franchise sale. The Alaska Club has been opening up new facilities and acquiring others around the state. Northwest Airlines won a number of new routes to Asia, and Carlile just grew rapidly—getting some help from increases in oil industry activity.

Trends 100 companies employ 29% of the workforce and pay better

More than a quarter of all private sector workers in Alaska work for one of the *Trends 100* employers. This workforce grew by 3.6% in 2001, more than twice as fast as the private sector as a whole, for reasons which are not entirely clear. Merger activity accounts for some growth that shows up in the *Trends 100* but not in the overall workforce. A robust year in the oil patch may also help explain this stronger growth.

The average annual wage for these employers in 2001 was \$46,710 compared to \$34,983 for all private sector wages in Alaska. This of course does not mean that all of these employers pay above average wages. In fact their wages cover the entire spectrum—there are employers in the top 10 whose total payroll is smaller than firms that are listed on the bottom half. The huge presence of the oil industry is the single largest reason for this above average wage. When oil industry employers are omitted from the *Trends 100* the average annual wage for this group falls to \$39,261.

16 of these big players are Native organizations

Native organizations exert growing influence in Alaska's economy. The *Trends* list of Native organizations is made up of for-profit and nonprofit companies including oil field service companies, caterers, health providers, social services, contractors, personnel services, etc. (See Exhibit 5.) One organization is new to the list this year—the Association of Village Council Presidents, based in Bethel. The *Trends 100* includes only individual firms regardless of ownership, which tends to understate the presence of the Native corporations. If all joint ventures and their

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Trends 100 by Industry 2

2001 employment (continued)

subsidiaries were combined, their representation would certainly be larger. Even given these shortcomings, this is still an impressive showing. Many of the employers such as Maniilaq are health and social service providers. The largest player, ranked tenth on the state's list, was again Alaska Petroleum Contractors—a subsidiary of Natchiq, which in turn is a subsidiary of the Arctic Slope Regional Corporation.

Nearly a quarter of the employment is with nonprofits

Although the nonprofit sector is not often touted as a powerful force in Alaska's economy, its presence on the *Trends 100* list points to an important story. (See Exhibit 6.) Twenty-three percent of all *Trends 100* employment is with nonprofits. In 2001, Southcentral Counseling Center in Anchorage and the Association of Village Council Presidents were added to the list. Nearly all of these nonprofits provide social or educational services, health care, or a combination of all three.

Health care dominates this list, led by the state's largest employer, Providence Health System. Only one health care provider on the *Trends 100* list is for-profit—Alaska Regional Hospital. These health care providers represent all areas of the state and are often the largest or second largest employer in their community. Examples are the Yukon-Kuskokwim Health Corporation in Bethel, Valley Hospital in Palmer, Banner Health System in Fairbanks, and Norton Sound Health Corporation in Nome.

The list of the top ten changes

Only half of the employers on the top ten were there a decade ago. (See Exhibit 7.) Most of the newer players have simply grown enough over time. Only one of these players, Wal-Mart/Sam's Club, was nowhere to be found in 1991. Federal Express, which ranked 36th a decade ago and is ninth today, has been another fast climber. The old standbys include Providence, Safeway/Carrs, Alaska Airlines, VECO and BP Exploration.

Pizza Hut	460
Burger King	418
Denali Foods/Taco Bell	354
Subway of Alaska	270
Other Retail	
Safeway Stores	3,252
Fred Meyer	2,262
Wal-Mart/Sam's Club	2,178
Kmart	856
Spenard Builders Supply	720
Alaska Commercial Company	657
Sears Roebuck	631
Costco	628
Williams Express	518
Tesoro Northstore Company	369
J C Penney Company	300
Nordstrom	287
Home Depot	255
Wholesale	
Anchorage Cold Storage Company	290
FINANCE, INSURANCE & REAL ESTATE	
Wells Fargo	839
First National Bank of Alaska	741
Alaska USA Federal Credit Union	735
SERVICES	
Hotels	
Alyeska Resort	504
Westmark Hotels	436
Alaska Hotel Properties (Princess Hotels)	431
Hotel Captain Cook	345
Hilton Anchorage	332
Personnel Services	
Chugach North Technical Services	323
Health Care	
Providence Health System in Alaska	3,369
Banner Health System	1,191
Yukon Kuskokwim Health Corporation	940
Alaska Regional Hospital	851
Southcentral Foundation	749
Southeast Alaska Regional Health Consortium	621
Alaska Native Tribal Health Consortium	544
Maniilaq Association	489
Valley Hospital	467
Norton Sound Health Corporation	415
Bristol Bay Area Health Corporation	344
Ketchikan General Hospital	323
Southcentral Counseling Center	250
Other Services	
Tanana Chiefs Conference	632
Hope Community Services	506
The Alaska Club	489
Salvation Army - Alaska	394
Assets	352
Rural Alaska Community Action Program	335
Facility Management of Alaska	326
ARC of Anchorage	313
Fairbanks Native Association	268
Association of Village Council Presidents	259
Blockbuster Video	255
ABM Company of the West	249

Source: Department of Labor and Workforce Development, Research and Analysis Section

3 Newcomers to *Trends* 100 For 2001

Agrium
Subway of Alaska
Association of Village Council Presidents
Fritz Companies
Home Depot
Southcentral Counseling Center
Blockbuster Video

Source: Department of Labor and Workforce Development, Research and Analysis Section

Lots of Fortune 500 among them

Companies like Sears, Federal Express, Burger King and AT&T are big national names with a large presence in Alaska. More than a quarter of Alaska's *Trends* 100 employers show up in Fortune magazine's annual list of the nation's 500 largest companies. (See Exhibit 8.) Blockbuster was the newest addition this year.

When the list includes all players, public employers dominate

When the public sector is included among the state's 10 largest employers the list changes dramatically. (See Exhibit 9.) Only four private sector employers remain at the top. This probably does not come as much of a surprise, even to the casual observer. The public sector, however, has been and probably will continue to grow more slowly than the private sector, and a growing number of private sector employers will populate the top rankings.

Most of oil industry is on *Trends* 100, but little of retail and services

At first blush the *Trends* 100 does not appear to be dominated by any particular industry. (See Exhibit 2.) But one industry—oil, does loom large. Nearly 83 percent of all oil industry workers are employed by one of the state's largest employers. The capital-intensive nature of the oil business appears to favor larger companies.

Manufacturing is one of the state's smallest employers and it is becoming still smaller. The *Trends* 100 list in 2001 shows one fewer manufacturer with the departure of Silver Bay logging, the last of the timber companies that used to grace the list. Timber companies on past *Trends* 100 lists included Ketchikan Pulp Company, Klukwan Forest Products, and the Alaska Pulp Company. Despite this loss of manufacturers, *Trends* 100 manufacturing employment is responsible for more than a third (36%) of all manufacturing employment. Most of

4 *Trends* 100 Movers Firms moving up 10 or more ranks from 2000

Yukon-Kuskokwim Health Corporation
Nabors Alaska Drilling Company
Alaska Native Tribal Health Consortium
McDonalds Restaurants of Alaska
The Alaska Club
Northwest Airlines
Schlumberger Technologies
Westward Seafood
Halliburton Energy Services
Carlile Enterprises
Fairbanks Gold Mining Company (Ft. Knox)
ARC of Anchorage
Udelhoven Oilfield System

Source: Department of Labor and Workforce Development, Research and Analysis Section

Alaska Native Corporations/Organizations **5**

Fully or partly own and/or operate 16 of the *Trends* 100 firms

the manufacturing employment on this list is fish processing. The exceptions are the Anchorage Daily News and the Agrium fertilizer plant in Nikiski.

Thirty of the *Trends* 100 employers are service industry employers, five more than a decade ago. Just this year two of the newcomers were service sector employers—the Association of Village Council Presidents and Southcentral Counseling Services. Service industry companies are growing and can be expected to become more prominent on the list. Although services represents the single largest number of *Trends* 100 employers, these employers are responsible for only 23 percent of all service industry employment because there are so many smaller employers. At last count there were nearly 7,000.

Trends in retail trade are similar to services. A little over a third of retail employment is captured by *Trends* 100 firms. Their industry's competitive nature causes significant turnover on the *Trends* 100 list. For example, Alaska Market Place was a *Trends* 100 employer last year and now no longer exists, and Sky Chefs, although still an employer was no longer large enough in 2001 to make the list. Two of the new *Trends* 100 were in retail—Home Depot and Subway of Alaska.

They represent every geographic area in the state

Although a majority of the *Trends* 100 employers have their largest work site or headquarters in Anchorage, only a few operate there exclusively. Safeway/Carrs is headquartered in Anchorage but has stores in more than a dozen other communities. The nine *Trends* 100 fish processors conduct operations not in Anchorage, but around the state. Some have very remote work sites such as North Pacific's processing plant at Petersen's Point, three miles from Naknek.

Alaska Petroleum Contractors	1,105
NANA/Marriott, Joint Venture	992
Yukon-Kuskokwim Health Corporation	940
Southcentral Foundation	749
Peak Oilfield Service Company	703
Tanana Chiefs Conference	632
Doyon/Universal Ogden, Joint Venture	622
Southeast Alaska Regional Health Consortium	621
Alaska Native Tribal Health Consortium	544
Houston/NANA, Joint Venture	506
Maniilaq Association	489
Norton Sound Health Corporation	415
Chugach North Technical Services	374
Bristol Bay Area Health Corporation	344
Fairbanks Native Association	268
Association of Village Council Presidents	259

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Nonprofit Organizations **6**

Employ more than 23% of the *Trends* 100 workforce

Providence Health System in Alaska	3,369
Banner Health System	1,191
Yukon Kuskokwim Health Corporation	940
Southcentral Foundation	749
Alaska USA Credit Union	735
Tanana Chiefs Conference	632
Southeast Alaska Regional Health Corp.	621
Alaska Native Tribal Health Consortium	544
Hope Community Service	506
Maniilaq Association	489
Valley Hospital	467
Norton Sound Health Corporation	415
Salvation Army - Alaska	394
Chugach Electric Association	374
Assets	352
Bristol Bay Area Health Corporation	344
Rural Alaska Community Action Program	335
Ketchikan General Hospital	323
ARC of Anchorage	313
Matanuska Telephone Association	289
Fairbanks Native Association	268
Association of Village Council Presidents	259
Southcentral Counseling Center	250

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

7 The Top 10 in 2001 And a decade ago

2001

Rank	Top 10 Employers	Employment
1	Providence Health System in Alaska	3,369
2	Safeway Stores/Carrs	3,252
3	Fred Meyer	2,262
4	Wal-Mart/Sam's Club	2,178
5	Alaska Airlines	1,833
6	VECO Operations	1,535
7	Banner Health System	1,191
8	BP Exploration	1,147
9	Federal Express	1,121
10	Alaska Petroleum Contractors (a Natchiq company)	1,105

1991

1	Carr Gottstein Foods	2,952
2	ARCO Alaska	2,914
3	Providence Alaska	1,825
4	BP Exploration	1,502
5	VECO	1,441
6	Alyeska Pipeline Service Company	1,269
7	National Bank of Alaska	1,202
8	Trident Seafoods	1,109
9	Alaska Airlines	947
10	Ketchikan Pulp Company	946

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

The Fortune 500 More than a quarter of Trends 100 firms are on this list

ATT/Alascom
Anchorage Hilton Hotel
Aramark Leisure Services
Alaska Regional Health Corp.
Blockbuster Video
Burger King
Costco
CSX-Lines
Federal Express
Fred Meyer
Halliburton Energy Services
J C Penney
Kmart
Home Depot
McDonalds
NANA/Marriott, Joint Venture
Nordstrom
Northwest Airlines
Phillips 66
Pizza Hut
Safeway Stores
Sears Roebuck
Taco Bell
Tesoro Northstore Company
United Airlines
Union Oil of California (Unocal)
United Parcel Service (UPS)
Wal-Mart/Sam's Club
Williams Express

Source: Fortune Magazine

9 With Public Sector Included The top ten in 2001

Rank	Name of Organization	2001 Employment	Headquarters or Largest Work Site
1	Uniformed Military	17,802	Anchorage
2	Federal Government	16,800	Anchorage
3	State of Alaska	16,152	Juneau
4	University of Alaska	6,344	Fairbanks
5	Anchorage School District	6,293	Anchorage
6	Providence Health System in Alaska	3,369	Anchorage
7	Safeway Stores/Carrs	3,252	Anchorage
8	Municipality of Anchorage	2,950	Anchorage
9	Fred Meyer	2,262	Anchorage
10	Wal-Mart/Sam's Club	2,178	Anchorage

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

The State Training and Employment Program (STEP)

by Lorraine Cordova
Labor Economist

Unemployed workers get a step up in the workplace from the UI Trust Fund

The State Training and Employment Program (STEP) has improved the employment status of more than 10,000 Alaska workers since 1989 by using a small portion of unemployment insurance funds for job training.

STEP supported by UI Trust Fund

Funding for STEP comes from employees' contributions to the Unemployment Insurance Trust Fund, of which one-tenth of one percent is available to fund STEP programs. The investment in additional employment training and skills enhancement is intended to reduce participants' future reliance on the unemployment insurance system. The program is also charged with fostering growth of existing businesses, attracting new business to the state by developing a skilled workforce, and reducing employer unemployment insurance (UI) costs.

The program has provided workforce training to qualifying Alaskans who contributed to unemployment insurance in the previous three years. These are individuals who are currently receiving or have exhausted their unemployment insurance benefits, who lack employable skills, or whose skills have been outdated by technological change.

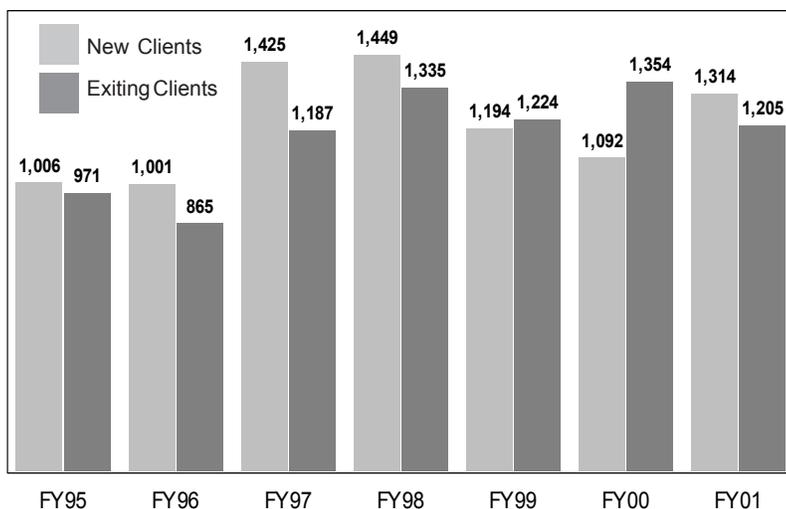
In the most recent state fiscal year, 2001, STEP enrolled 1,314 new clients, continued training for 254 clients enrolled in a prior fiscal year, and saw 1,205 clients exit the program. (See Exhibit 1.)

STEP serves clients in all regions of the state. Exhibit 2 shows the distribution of clients by region of the state for fiscal year (FY) 2001.

STEP provides a variety of job-related services

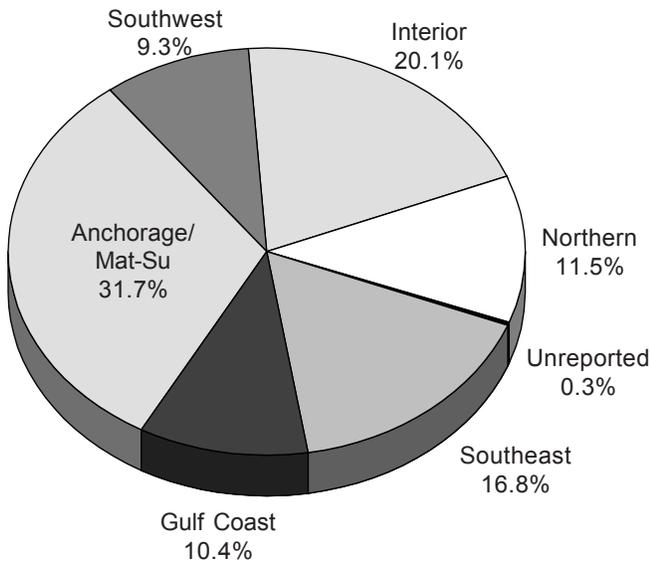
STEP funds services other than training, including career assessment and vocational counseling, classroom, high demand industry-specific training, on-the-job training, and supportive services. Relocation or other job-related assistance is possible when necessary to obtain or retain employment.

New and Exiting Clients STEP (State Training and Employment Program)



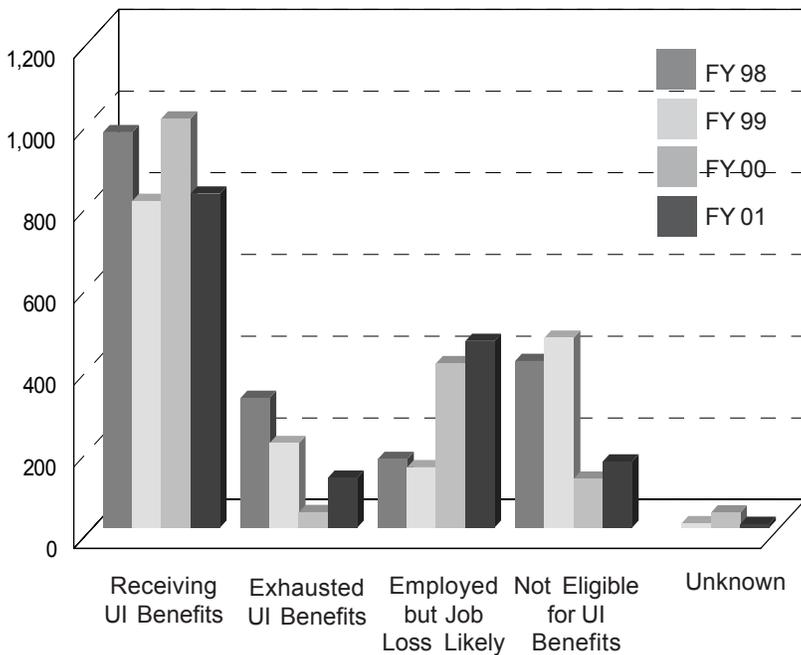
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

2 STEP Clients by Region FY 2001



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

3 STEP Clients by Eligibility Criteria



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

STEP gives grants to training providers

To broaden STEP's outreach programs and increase its training resources, STEP offers competitive grant opportunities to a variety of organizations that are interested in providing training. These organizations include public and private post-secondary educational institutions, private for-profit and not-for-profit businesses, union apprenticeship and training trusts, tribal entities, and economic development agencies. Alternatively, STEP awards grants directly to eligible clients. Based on individual needs, clients may seek specialized training from providers whose program is not funded by STEP.

Reasons for seeking STEP training

Most STEP applicants are eligible for the program because they are unemployed Alaskans. This was true for 940 clients in FY 2001. (See Exhibit 3.) Women, minorities, parents paying court-ordered child support, and those who have difficulty finding jobs are among those served.

While a person's unemployment status is the basis for determining eligibility, there are many additional reasons why an individual seeks training through STEP. During the enrollment process, the client has an opportunity to select from a list of characteristics describing themselves and their reasons for applying to STEP. Characteristics such as receiving welfare, having a disability, or lacking skills to obtain suitable employment in today's market, are disadvantages that can be viewed as barriers to employment.

The majority of clients for FY 2001 reported current unemployment as a reason for enrolling in STEP. Other common responses included age 45 and older, lack of skills, and annual earnings less than the median income. (See Exhibit 4.)

UI claims drop significantly after STEP

STEP training has successfully reduced claims for unemployment. Total benefits paid for all clients were reduced almost 65 percent following STEP training. Total benefits paid for those who previously exhausted their claims realized the most dramatic reduction at almost 74 percent. Claims from STEP clients against the UI Trust Fund have consistently declined over the last three years. (See Exhibit 5.)

UI claims for FY 2000 participants fell from 1,034 claims in the 15 months before their participation to 583 claims in the 15 months after they completed STEP, a reduction of 43.6%. (See Exhibit 6.) This exceeds the program's goal of a 40 percent reduction in claims.

Two years must pass after STEP completion before a final measure of UI payments can be calculated.

Since claimants have one full calendar year to draw on a claim, numbers may not include complete data for clients who filed a claim toward the end of the fiscal year being evaluated. For this reason, only clients who exited the program during FY 2000, the most recent year for which data are available, are included in the analysis.

Wage recovery—earnings increase after STEP

Another measure of STEP's success is wage recovery, or the ability of STEP clients who finish the program to earn wages comparable to or higher than those earned before entering STEP. It is notable that FY 2000 clients earned almost 11 percent more in the year after participation than in the year before training.

Barriers to Employment For STEP clients **4**

	FY 1999		FY 2000		FY 2001	
	Clients	Percent	Clients	Percent	Clients	Percent
Total number of clients	1,779	100%	1,600	100%	1,568	100%
No available jobs for skills	383	21.5	n/a	n/a	n/a	n/a
Area has limited suitable employment	616	34.6	n/a	n/a	n/a	n/a
Physical or mental disability	92	5.2	46	2.9	42	2.7
Age 45 and older	291	16.4	356	22.3	435	27.7
Household receives welfare (ATA or TANF)	203	11.4	215	13.4	123	7.8
More than 13 weeks receiving UI	299	16.8	n/a	n/a	n/a	n/a
Long-term unemployment due to lack of opportunity or limited skills	734	41.3	n/a	n/a	n/a	n/a
Current UI claimant	661	37.2	744	46.5	751	47.9
Enrolled in the AFDC-UP program	65	3.7	n/a	n/a	n/a	n/a
Paying court-ordered child support	99	5.6	93	5.8	91	5.8
Lack skills to obtain employment	731	41.1	835	52.2	833	53.1
Not working or face job loss due to changes in the economy or technical changes in the workplace	302	17.0	219	13.7	268	17.1
Currently unemployed	1,047	58.9	1,315	82.2	1,375	87.7
Referred as a UI profile client	140	7.9	185	11.6	149	9.5
Annual Earnings less than median income (\$33,032)	n/a	n/a	546	34.1	920	58.7

Clients may select more than one response on their enrollment form, so the sum of clients by barrier may exceed total clients.
n/a—The enrollment form changed for FY01, so not all categories from previous years are listed and some new categories have been added.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

This increase in earnings occurred despite the fact that three percent fewer FY 2000 clients worked in the year after STEP than the year before. Employed clients numbered 1,193 before STEP and 1,163 after STEP. (See Exhibit 7.) Clients entering the program have often been displaced from long-term jobs that provided relatively stable incomes. It is difficult to find a job requiring similar skills at the same level of pay with a different employer and, therefore, it is reasonable to expect average incomes to decline. Individuals

who leave the state after STEP cannot currently be tracked for employment and wages. Therefore, there may be additional employed STEP graduates who are not reflected in these numbers.

Clients who were not eligible for UI had the greatest percentage increase in wages after exiting STEP, even though they had the lowest total numbers. This is to be expected, since the majority of those clients were employed in seasonal,

5 Unemployment Insurance Activity Of terminated STEP clients

	15 Months Before			15 Months After			Percent Change		
	FY98	FY99	FY00	FY98	FY99	FY00	FY98	FY99	FY00
All Terminated Clients	1,335	1,224	1,354	1,335	1,224	1,354	n/a	n/a	n/a
Claims	979	893	1,034	539	529	583	(44.9)	(40.8)	(43.6)
Number of Claimants	858	805	891	506	503	544	(41.0)	(37.5)	(38.9)
Percent of Clients	63.7	65.8	65.8	37.9	41.1	40.2	(40.5)	(37.5)	(38.9)
Total Benefits Paid (in thousands)	\$2,880.3	\$2,747.5	\$3,143.4	\$1,252.7	\$1,217.9	\$1,114.3	(56.5)	(55.7)	(64.5)
Total Weeks Claimed	18,781	16,925	19,157	8,627	8,182	7,493	(54.1)	(51.7)	(60.9)
Exhausted Claims*	346	301	322	158	151	105	(54.3)	(49.8)	(67.4)
Number of Claimants	330	293	305	152	147	105	(53.9)	(49.8)	(65.6)
Percent of Claimants	34.2	37.4	36.1	31.2	30.0	19.3	(8.7)	(19.7)	(46.6)
Total Benefits Paid (in thousands)	\$1,232.1	\$1,136.4	\$1,242.1	\$512.9	\$483.3	\$323.6	(58.4)	(57.5)	(73.9)
Total Weeks Claimed	8,120	7,121	7,638	3,394	3,344	2,202	(58.2)	(53.0)	(71.2)
Early Intervention Claims**	247	240	294	102	98	123	(58.7)	(59.2)	(58.2)
Number of Claimants	201	196	233	97	97	121	(51.7)	(50.5)	(48.1)
Percent Exhausted Claims	26.7	26.7	24.5	27.5	24.4	13.0	2.7	(8.5)	(46.9)
Total Benefits Paid (in thousands)	\$641.9	\$671.0	\$796.2	\$274.9	\$237.9	\$254.9	(57.2)	(64.6)	(68.0)
Total Weeks Claimed	4,220	4,157	4,802	1,647	1,480	1,560	(61.0)	(64.4)	(67.5)

Note: Two years must pass after STEP completion before a final measure of UI payments can be calculated. Claimants have one full calendar year to draw on a claim, so data may not be complete for clients who filed a claim toward the end of the fiscal year being evaluated. Therefore, data for FY 00 post-STEP UI payments are preliminary. Clients who have left the program for any reason are referred to as terminated clients.

* Claims which have collected the Maximum Benefit Amount and are no longer eligible for UI payments.

** Claims filed five weeks before or 10 days after enrolling in STEP.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

part-time or temporary jobs prior to enrollment. Terminees who were unemployed and had exhausted their benefits earned 12.5% less in the four quarters after STEP, while those receiving UI benefits earned slightly more (2.6%).

In number of workers employed after training, the Employed-but-Job-Loss-Likely classification gained 24. The Ineligible-for-UI-Benefits group saw an increase of 17 individuals, while the Unemployed clients saw a decline of 64 individuals.

Activities with strong wage recovery measures were industry specific training (seven clients earned 28% more), employment assistance (three clients earned 17% more) and local job search/placement assistance (two fewer clients employed earned 17% more). Not all activities yielded an increase in wages in the first 12 months after STEP completion. Recovery of wages was the greatest in FY 1999 for clients whose last program activity was Work Tools, Clothing, and Gear. For FY 2000, however, wage recovery for that activity was minimal. Job Career Counseling and Staff Assisted Job Development activities showed significant decreases in post-STEP earnings for FY 2000.

Wage recovery varies by demographics and industry

As shown in Exhibit 8, the ability of clients to increase their wages after STEP varied with age, race, or gender. The likelihood of recovering wages decreased with age. The youngest workers, aged 16 to 25, had the greatest increase in wages (51%) while those 45 years and older earned less after STEP. The same number of females worked after training as before and earned 16.8% more. In contrast, 35 fewer males were employed post STEP and earned slightly more (5.5%).

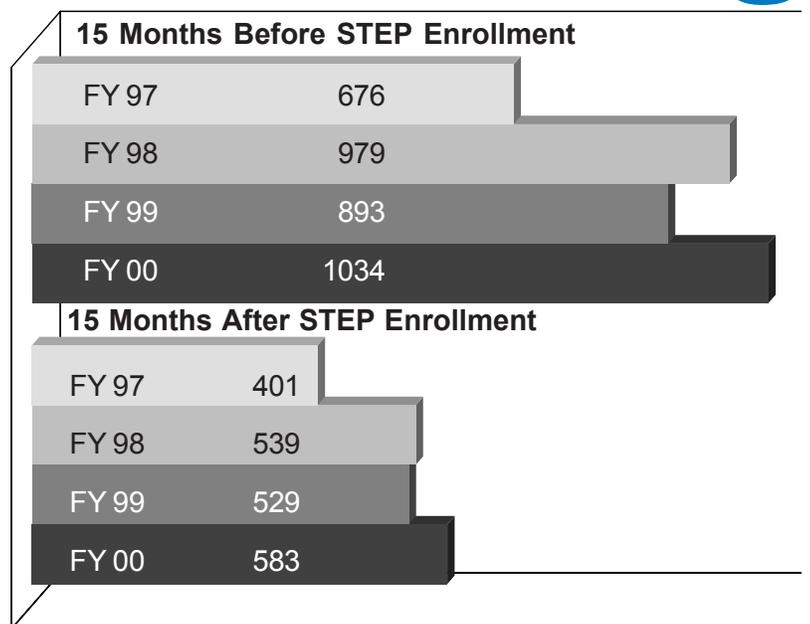
Wage recovery by industry met with varying degrees of success as well. Those clients employed in Mining, Construction, and Health Services industries fared the best in terms of change in

number employed and percent change in earnings. Agriculture lost two employees and Manufacturing lost seven, while the Services industry showed the largest increase, 98 workers. Business Services (a subset of the Services industry) lost five employees. The second brightest star in this group was the Construction industry, which added 90 employees to its rolls as a result of STEP training. (See Exhibit 9.)

STEP provides skilled workers

Nearly half of the clients exiting STEP training programs in FY 2000 successfully completed the program and left for employment. Of those, 60 percent, or 390 participants, entered newly created jobs. The remaining 40 percent filled vacant positions. The percentage of clients leaving STEP for a new job is slightly less than in FY 1999, but at 29 percent is well above the stated goal of 10 percent. A newly created job is one which did not exist in the calendar quarter preceding STEP

Number of UI Claims Filed By terminated STEP clients **6**



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

STEP Clients' Wages by Client Characteristic

Four quarters before and after training, FY 2000

	Number of Clients	Number Employed		Earnings		% Change in Earnings
		Before	After	Before	After	
All Terminated Clients	1,354	1,193	1,163	\$21,268,548	\$23,520,754	10.6
By UI Eligibility at First Enrollment						
Unemployed						
Exhausted UI benefits	34	28	26	\$492,776	\$430,938	(12.5)
Receiving UI benefits	830	771	709	15,235,312	15,626,052	2.6
Total Unemployed	864	799	735	15,728,088	16,056,990	2.1
Employed but job loss likely						
Change in required job skills	346	280	305	3,612,246	5,275,666	46.0
Reduction in the number of workers at place of employment	3	2	2	*	*	*
Elimination of job	10	10	9	356,164	230,103	(35.4)
Total Employed	359	292	316	3,968,410	5,505,769	38.7
Not currently eligible for UI benefits						
Insufficient wage contributions due to limited opportunity	61	49	56	551,945	878,618	59.2
Seasonal, temporary, part-time, or marginal employment	38	20	30	79,933	246,840	208.8
Underemployed	4	4	4	*	*	*
Total Not Eligible for UI	103	73	90	631,878	1,125,458	78.1
Unknown or Not Applicable	28	27	15	811,533	325,335	(59.9)
By Last Training Activity						
Customized Training	8	7	7	138,085	123,367	(10.7)
Occupation Skills Training	256	225	214	3,831,024	3,778,336	(1.4)
On-the-Job Training (OJT)	2	1	2	*	*	*
Case Management	103	93	85	1,655,464	1,455,248	(12.1)
Objective Assessment	15	12	13	213,388	191,480	(10.3)
Out-of-area Job Search/Placement	5	5	1	*	*	*
Relocation Assistance	6	5	4	*	*	*
Supportive Services	44	39	35	752,598	731,285	(2.8)
Local Job Search/Placement Assistance	13	11	9	196,331	229,842	17.1
Staff Assisted Job Development	5	5	5	120,093	90,244	(24.9)
Planned Inactivity/Holding	9	9	6	196,255	110,043	*
Basic Skills	4	3	2	*	*	*
Employment Assistance	434	369	366	5,845,474	6,859,921	17.4
Industry Specific Training	429	387	394	7,365,554	8,895,845	20.8
Job/Career Counseling	11	11	5	294,481	162,697	(44.8)
Other Employment Skills	1	1	0	*	*	*
Provide Equipment, Gear, Tools, Etc.	5	4	5	*	*	*
Vocational Exploration	4	4	3	*	*	*

* Data is nondisclosable.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

participation. Upon termination, the participant informs STEP if they are entering an existing job or a new job. A new job can include a new position with the same employer.

www.ajcn.state.ak.us/jt/step.html or by contacting the Alaska Department of Labor and Workforce Development's Employment Security Division, Job Training and Work Readiness Unit, P.O. Box 25509, Juneau, AK 99802-5509, Telephone: (907) 465-4863, Fax: 465-3212.

Summary

Workforce training is effective in helping to keep the Alaska economy competitive. Since 1989, STEP has proven itself valuable in helping Alaskans find and retain jobs. More information on the STEP program is available on-line at <http://>

For the complete State Training and Employment Program Review for FY99–FY01 visit the Alaska Department of Labor and Workforce Development's Research and Analysis website at <http://labor.state.ak.us/research/research/pub/step.pdf>.

Wage Recovery by Demographics

Terminated STEP clients four quarters before and after training, FY 2000

	Number of Clients	Number Employed		Earnings		Change in # Employed	% Change in Earnings
		Before	After	Before	After		
All Terminated Clients	1,354	1,193	1,163	\$21,268,548	\$23,520,754	(30)	10.6
By Age Group							
Under 25 years	237	206	208	2,222,676	3,358,346	2	51.1
25 to 34 years	369	331	324	5,947,234	6,482,094	(7)	9.0
35 to 44 years	458	401	388	7,466,421	8,448,834	(13)	13.2
45 to 54 years	234	205	194	4,694,988	4,130,844	(11)	(12.0)
Over 54 years	56	42	48	922,897	747,351	6	(19.0)
By Race*							
White	710	624	585	12,868,193	13,493,709	(39)	4.9
African American	63	50	55	533,779	883,312	5	65.5
Hispanic	41	38	37	629,477	676,720	(1)	7.5
Indian	522	464	468	6,933,045	7,967,775	4	14.9
Asian	33	30	25	509,939	403,712	(5)	(20.8)
Hawaiian	33	30	25	509,939	403,712	(5)	(20.8)
American Indian	518	460	464	6,835,439	7,830,975	4	14.6
Alaskan Native	522	464	468	6,933,045	7,967,775	4	14.9
By Gender							
Male	750	671	636	14,706,912	15,521,251	(35)	5.5
Female	604	520	520	6,547,304	7,646,217	0	16.8

* Clients may choose more than one race on their enrollment form, so the sum of clients by race may exceed total clients.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

9 Wage Recovery by Industry

Terminated STEP clients four quarters before and after training, FY 2000

	Number Employed		Earnings		Change in #Employed	% Change in Earnings
	Before	After	Before	After		
All Terminated Clients	1,193	1,163	\$21,268,548	\$23,520,754	(30)	10.6%
Agricultural Services	4	2	*	*	(2)	*
Mining	32	65	1,163,747	2,521,977	33	116.7
Oil & Gas Extraction	29	50	1,107,940	2,141,484	21	93.3
Construction	159	249	4,874,383	7,736,897	90	58.7
Heavy Construction-Highway and Street Construction, except Elevated Highways	36	86	1,484,724	3,260,647	50	119.6
Heavy Construction, except Highway and Street Construction	28	40	698,258	1,251,255	12	79.2
Construction-Special Trade Contractors	65	87	1,780,971	2,356,904	22	32.3
Manufacturing	32	25	534,559	608,197	(7)	13.8
Food and Kindred Products	15	12	117,990	170,765	(3)	44.7
Lumber and Wood Products, except Furniture	10	6	274,096	293,100	(4)	6.9
Transportation, Communications, and Utilities	46	62	1,020,241	1,650,762	16	61.8
Local and Suburban Transit and Interurban Highway Passenger Transportation	8	10	96,154	166,397	2	73.1
Water Transportation	5	10	83,132	177,730	5	113.8
Transportation by Air	5	9	132,203	228,746	4	73.0
Communications	9	11	401,768	483,722	2	20.4
Electric, Gas, and Sanitary Services	10	12	187,452	409,444	2	118.4
Wholesale Trade	15	20	236,664	281,582	5	19.0
Durable Goods	4	7	*	*	3	*
Nondurable Goods	11	13	159,849	140,638	2	(12.0)
Retail Trade	81	104	935,885	1,311,653	23	40.2
General merchandise stores	17	16	141,299	190,994	(1)	35.2
Eating and drinking places	34	43	292,239	507,401	9	73.6
Finance/Insurance/Real Estate	30	38	378,432	588,301	8	55.5
Real Estate	16	17	243,137	281,176	1	15.6
Holding and Other Investment Offices	10	10	76,661	121,016	0	57.9
Services	302	400	4,268,925	6,546,483	98	53.4
Business Services	35	30	472,950	548,901	(5)	16.1
Health services	36	77	580,610	1,545,620	41	166.2
Social Services	100	109	1,498,678	1,846,904	9	23.2
Public Administration, excluding Federal Government	57	62	883,854	935,730	5	5.9
Nonclassifiable establishments or not applicable	3	2	*	*	(1)	*

* Data is nondisclosable.

NOTE: Industry information is based on the UI wage database and may differ from that supplied by the client on the enrollment form. Clients with more than one employer are assigned to the industry in which the most wages were earned prior to training.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Economic Review is Mixed

Alaska Employment Scene

by
Brigitta Windisch-Cole
Labor Economist

Usual seasonal trends prevail

In May Alaska's labor market situation appeared typical. Employers in seasonal industries launched large hiring campaigns and rode the usual upward trend in industry employment, adding 11,800 jobs. (See Exhibit 2.) Construction and tourism businesses from the transportation, retail, and services industries spearheaded the gains. Low unemployment rates continue to be a bright spot in the economy. For the last five years Alaska has enjoyed unemployment rates significantly lower than both the 10-year and 20-year averages. May's rate of 5.8% continues the trend.

Mixed theories about the performance of Alaska's seasonal industries have surfaced, but anecdotal evidence pointed towards normal developments. The first wave of visitors arrived and alleviated some of the fears of a poor season. Several tour operators and industry observers reported business as usual, easing some concerns.

Worries on the salmon scene

The negative outlook for the salmon fishery has not improved. Many fishers express concern that low prices will displace a large portion of Alaska's salmon fleet. May's herring fishery already proved that low prices discourage participation. In some areas first price offerings for red salmon fell below last year's level, which confirms fears of earnings even leaner than in 2001. The only good news came from the Copper River fishing grounds, where the harvest started with bountiful catches and good prices. This fishery's prestige and reputation in salmon markets is growing. Salmon market reports, however, gave cause for continued concern about this year's remaining seasons.

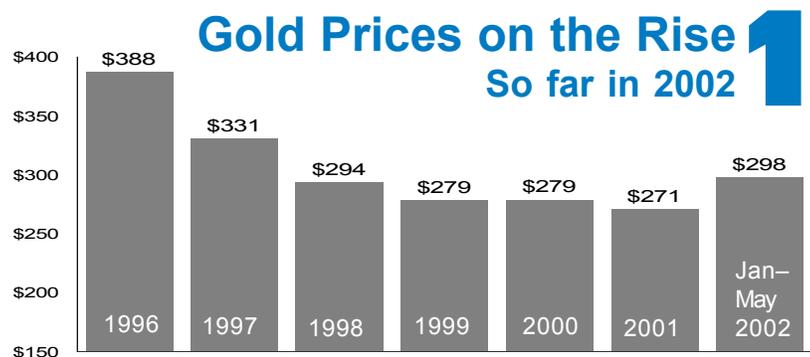
Unlike tourism and fisheries with their mixed expectations, construction stands on solid ground, expecting to book another banner year.

Over-the year growth slims down

While Alaska's seasonal workforce mobilized in May, over-the-year job growth continued to be moderate. Employment figures posted a gain of 2,300 new jobs over May 2001, a growth rate of eight tenths of a percentage point. This marked a second month of growth rates below one percent for 2002. April and May 2001 employment numbers were very strong, riding on robust oil field services employment, so it is not surprising that this spring's rates reflect only marginal growth in comparison. Job losses in timber and seafood processing employment compounded the negative impacts, and gains in transportation, retail and services industries offset them. Public sector employment gained 1,900 jobs over last year and helped to pull overall job growth into positive territory. (See Exhibit 2.)

North Slope has shifted to production

Some of the negatives in Alaska's labor market resulted from completion of oil construction



Source: Adapted from Kitco Company, London PM Fix in US dollars

2 Nonagricultural Wage and Salary Employment

By place of work

Alaska	preliminary	revised	Changes from:			Municipality of Anchorage	preliminary	revised	Changes from:		
	5/02	4/02	4/01	4/02	5/01		5/02	4/02	4/01	4/02	5/01
Total Nonag. Wage & Salary	295,800	284,000	293,500	11,800	2,300	Total Nonag. Wage & Salary	141,400	138,000	140,100	3,400	1,300
Goods-producing	37,000	34,800	39,100	2,200	-2,100	Goods-producing	12,800	11,800	13,600	1,000	-800
Service-producing	258,800	249,200	254,400	9,600	4,400	Service-producing	128,600	126,200	126,500	2,400	2,100
Mining	10,200	10,300	11,800	-100	-1,600	Mining	2,600	2,600	3,600	0	-1,000
Oil & Gas Extraction	8,700	8,900	10,300	-200	-1,600	Oil & Gas Extraction	2,500	2,500	3,500	0	-1,000
Construction	15,200	13,200	14,800	2,000	400	Construction	7,900	7,000	7,700	900	200
Manufacturing	11,600	11,300	12,500	300	-900	Manufacturing	2,300	2,200	2,300	100	0
Durable Goods	2,400	2,200	2,900	200	-500	Transportation/Comm/Utilities	15,800	15,000	15,600	800	200
Lumber & Wood Products	900	800	1,400	100	-500	Air Transportation	6,200	6,000	6,200	200	0
Nondurable Goods	9,200	9,100	9,600	100	-400	Communications	3,700	3,500	3,600	200	100
Seafood Processing	6,400	6,300	6,700	100	-300	Trade	32,800	32,200	32,100	600	700
Transportation/Comm/Utilities	28,900	26,900	28,800	2,000	100	Wholesale Trade	6,200	6,200	6,300	0	-100
Trucking & Warehousing	3,200	3,100	3,200	100	0	Retail Trade	26,600	26,000	25,800	600	800
Water Transportation	2,000	1,700	2,000	300	0	Gen. Merchandise & Apparel	5,300	5,200	5,000	100	300
Air Transportation	9,900	9,500	10,100	400	-200	Food Stores	2,400	2,400	2,400	0	0
Communications	5,600	5,500	5,400	100	200	Eating & Drinking Places	10,000	9,700	9,900	300	100
Electric, Gas & Sanitary Svcs.	2,900	2,800	2,900	100	0	Finance/Insurance/Real Estate	7,800	7,700	7,800	100	0
Trade	59,500	56,300	58,600	3,200	900	Services & Misc.	41,500	40,600	40,600	900	900
Wholesale Trade	8,200	8,000	8,300	200	-100	Hotels & Lodging Places	3,100	3,000	3,100	100	0
Retail Trade	51,300	48,300	50,300	3,000	1,000	Business Services	6,300	6,100	6,400	200	-100
Gen. Merchandise & Apparel	10,300	9,900	9,700	400	600	Health Services	10,200	10,100	9,700	100	500
Food Stores	6,400	6,200	6,500	200	-100	Legal Services	1,200	1,200	1,200	0	0
Eating & Drinking Places	18,400	16,800	18,100	1,600	300	Social Services	4,400	4,400	4,300	0	100
Finance/Insurance/Real Estate	12,900	12,700	12,800	200	100	Engineering/Account'g/Research	6,100	6,100	5,800	0	300
Services & Misc.	75,000	71,500	73,600	3,500	1,400	Government	30,700	30,700	30,400	0	300
Hotels & Lodging Places	7,500	6,100	7,500	1,400	0	Federal	9,700	9,600	9,700	100	0
Business Services	8,500	8,300	8,900	200	-400	State	9,800	9,800	9,300	0	500
Health Services	18,700	18,400	17,800	300	900	Local	11,200	11,300	11,400	-100	-200
Legal Services	1,600	1,600	1,600	0	0	Tribal	200	200	200	0	0
Social Services	9,200	9,100	8,800	100	400						
Engineering/Account'g/Research	8,200	8,100	8,000	100	200						
Government	82,500	81,800	80,600	700	1,900						
Federal	16,900	16,300	16,900	600	0						
State	24,600	24,500	23,500	100	1,100						
Local	41,000	41,000	40,200	0	800						
Tribal	3,100	3,100	2,900	0	200						

Notes to Exhibits 2, 3, & 4—Nonagricultural excludes self-employed workers, fishers, domestics, and unpaid family workers as well as agricultural workers. Government category includes employees of public school systems and the University of Alaska.

Exhibits 2 & 3—Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Exhibit 4—Prepared in part with funding from the Employment Security Division.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

3 Hours and Earnings

For selected industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	preliminary	revised	revised	preliminary	revised	revised	preliminary	revised	revised
	5/02	4/02	5/01	5/02	4/02	5/01	5/02	4/02	5/01
Mining	\$1,290.96	\$1,319.57	\$1,518.78	44.0	44.4	51.0	\$29.34	\$29.72	\$29.78
Construction	1229.96	1111.80	1227.07	43.6	40.8	44.8	28.21	27.25	27.39
Manufacturing	570.69	536.80	508.78	31.1	31.3	34.8	18.35	17.15	14.62
Seafood Processing	302.22	312.95	322.68	21.9	24.7	32.3	13.80	12.67	9.99
Transportation/Comm/Utilities	703.25	714.95	703.49	33.6	33.9	34.3	20.93	21.09	20.51
Trade	494.88	498.99	495.13	34.9	34.7	34.6	14.18	14.38	14.31
Wholesale Trade	692.03	698.44	741.99	38.9	38.0	39.7	17.79	18.38	18.69
Retail Trade	467.15	468.54	454.95	34.4	34.2	33.7	13.58	13.70	13.50
Finance/Insurance/Real Estate	628.64	680.14	612.5	35.1	35.5	35.0	17.91	19.16	17.50

Average hours and earnings estimates are based on data for full-time and part-time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing). Averages are for gross earnings and hours paid, including overtime pay and hours.

Benchmark: March 2000

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

4 Nonagricultural Wage and Salary Employment

By place of work

Fairbanks

North Star Borough

	preliminary		Changes from:		
	5/02	4/02	4/01	4/02	5/01
Total Nonag. Wage & Salary	36,000	34,600	35,200	1,400	800
Goods-producing	3,500	3,150	3,500	350	0
Service-producing	32,500	31,450	31,700	1,050	800
Mining	800	800	950	0	-150
Construction	2,100	1,800	1,950	300	150
Manufacturing	600	550	600	50	0
Transportation/Comm/Utilities	3,250	3,000	3,300	250	-50
Trucking & Warehousing	700	650	700	50	0
Air Transportation	1,000	1,000	1,100	0	-100
Communications	350	350	400	0	-50
Trade	6,950	6,750	6,700	200	250
Wholesale Trade	750	650	700	100	50
Retail Trade	6,200	6,100	6,000	100	200
Gen. Merchandise & Apparel	1,150	1,150	1,150	0	0
Food Stores	600	600	600	0	0
Eating & Drinking Places	2,350	2,350	2,250	0	100
Finance/Insurance/Real Estate	1,250	1,200	1,200	50	50
Services & Misc.	9,200	8,700	8,900	500	300
Hotels & Lodging Places	1,000	700	1,000	300	0
Health Services	2,150	2,150	2,100	0	50
Government	11,850	11,800	11,600	50	250
Federal	3,350	3,300	3,350	50	0
State	5,200	5,150	5,000	50	200
Local	3,300	3,350	3,250	-50	50
Tribal (<i>no data</i>)	-	-	-	-	-

Southeast Region

Total Nonag. Wage & Salary	36,850	34,300	37,300	2,550	-450
Goods-producing	4,300	3,950	4,650	350	-350
Service-producing	32,550	30,350	32,650	2,200	-100
Mining	300	300	300	0	0
Construction	1,700	1,500	1,700	200	0
Manufacturing	2,300	2,150	2,650	150	-350
Durable Goods	950	900	1,350	50	-400
Lumber & Wood Products	650	600	950	50	-300
Nondurable Goods	1,350	1,250	1,300	100	50
Seafood Processing	1,000	950	950	50	50
Transportation/Comm/Utilities	3,100	2,450	3,150	650	-50
Trade	6,600	5,700	6,800	900	-200
Wholesale Trade	600	550	600	50	0
Retail Trade	6,000	5,150	6,200	850	-200
Food Stores	1,250	1,200	1,300	50	-50
Finance/Insurance/Real Estate	1,300	1,300	1,300	0	0
Services & Misc.	8,050	7,200	8,200	850	-150
Health Services	1,750	1,750	1,700	0	50
Government	13,500	13,700	13,200	-200	300
Federal	1,700	1,750	1,800	-50	-100
State	5,650	5,800	5,400	-150	250
Local	6,150	6,150	6,000	0	150
Tribal	550	550	600	0	-50

Northern Region

Total Nonag. Wage & Salary	15,700	15,900	16,500	-200	-800
Goods-producing	5,400	5,600	6,150	-200	-750
Service-producing	10,300	10,300	10,350	0	-50
Mining	4,900	5,100	5,600	-200	-700
Oil & Gas Extraction	4,450	4,650	5,150	-200	-700
Government	5,100	5,050	4,850	50	250
Federal	150	150	150	0	0
State	350	300	300	50	50
Local	4,600	4,600	4,400	0	200
Tribal	450	400	400	50	0

Interior Region

	preliminary		Changes from:		
	5/02	4/02	4/01	4/02	5/01
Total Nonag. Wage & Salary	42,000	39,500	41,350	2,500	650
Goods-producing	3,800	3,400	3,800	400	0
Service-producing	38,200	36,100	37,550	2,100	650
Mining	950	950	1,100	0	-150
Construction	2,200	1,850	2,050	350	150
Manufacturing	650	600	650	50	0
Transportation/Comm/Utilities	4,250	3,800	4,350	450	-100
Trade	8,000	7,350	7,850	650	150
Finance/Insurance/Real Estate	1,300	1,250	1,250	50	50
Services & Misc.	10,150	9,350	9,800	800	350
Hotels & Lodging Places	1,450	900	1,400	550	50
Government	14,500	14,350	14,300	150	200
Federal	3,850	3,650	3,950	200	-100
State	5,450	5,400	5,250	50	200
Local	5,200	5,300	5,100	-100	100
Tribal	250	300	200	-50	50

Anchorage/Mat-Su Region

Total Nonag. Wage & Salary	155,850	151,200	153,050	4,650	2,800
Goods-producing	14,400	13,150	14,850	1,250	-450
Service-producing	141,450	138,050	138,200	3,400	3,250
Mining	2,700	2,600	3,350	100	-650
Construction	9,250	8,200	9,050	1,050	200
Manufacturing	2,450	2,350	2,450	100	0
Transportation/Comm/Utilities	16,950	16,000	16,650	950	300
Trade	36,700	35,700	35,650	1,000	1,050
Finance/Insurance/Real Estate	8,250	8,150	8,250	100	0
Services & Misc.	45,200	44,000	44,150	1,200	1,050
Government	34,350	34,200	33,500	150	850
Federal	9,850	9,800	9,850	50	0
State	10,750	10,700	10,250	50	500
Local	13,750	13,700	13,400	50	350
Tribal	250	250	300	0	-50

Southwest Region

Total Nonag. Wage & Salary	16,550	16,450	17,000	100	-450
Goods-producing	3,200	3,200	3,500	0	-300
Service-producing	13,350	13,250	13,500	100	-150
Seafood Processing	3,050	3,050	3,300	0	-250
Government	7,200	7,100	7,150	100	50
Federal	350	350	350	0	0
State	600	500	550	100	50
Local	6,250	6,250	6,250	0	0
Tribal	1300	1300	1200	0	100

Gulf Coast Region

Total Nonag. Wage & Salary	28,250	26,550	28,450	1,700	-200
Goods-producing	5,700	5,550	6,000	150	-300
Service-producing	22,550	21,000	22,450	1,550	100
Mining	1,300	1,350	1,350	-50	-50
Oil & Gas Extraction	1,300	1,300	1,350	0	-50
Construction	1,400	1,150	1,400	250	0
Manufacturing	3,000	3,050	3,250	-50	-250
Seafood Processing	2,150	2,150	2,300	0	-150
Transportation/Comm/Utilities	2,400	2,350	2,400	50	0
Trade	5,550	4,950	5,650	600	-100
Wholesale Trade	350	350	450	0	-100
Retail Trade	5,200	4,600	5,200	600	0
Eating & Drinking Places	1,850	1,550	1,850	300	0
Finance/Insurance/Real Estate	750	700	750	50	0
Services & Misc.	6,200	5,650	6,150	550	50
Health Services	1,250	1,250	1,250	0	0
Government	7,650	7,350	7,500	300	150
Federal	800	700	800	100	0
State	1,750	1,700	1,700	50	50
Local	5,100	4,950	5,000	150	100
Tribal	250	250	300	0	-50

5 Unemployment Rates

By region and census area

Not Seasonally Adjusted	Percent Unemployed		
	preliminary 05/02	revised 04/02	revised 05/01
United States	5.5	5.7	4.1
Alaska Statewide	5.8	6.7	6.1
Anchorage/Mat-Su Region	4.6	5.2	4.6
Municipality of Anchorage	4.1	4.6	4.1
Mat-Su Borough	6.6	8.1	7.2
Gulf Coast Region	8.2	9.9	9.3
Kenai Peninsula Borough	9.1	10.7	8.7
Kodiak Island Borough	5.8	7.0	11.5
Valdez-Cordova	7.7	10.5	9.0
Interior Region	5.7	6.7	6.3
Denali Borough	4.3	8.4	7.4
Fairbanks North Star Borough	5.0	5.8	5.6
Southeast Fairbanks	10.0	12.1	9.0
Yukon-Koyukuk	15.6	17.0	16.6
Northern Region	12.3	11.8	12.1
Nome	12.5	12.1	12.6
North Slope Borough	8.9	8.6	9.1
Northwest Arctic Borough	16.9	16.1	15.8
Southeast Region	6.1	7.6	6.2
Haines Borough	7.2	11.9	8.2
Juneau Borough	4.2	4.9	4.4
Ketchikan Gateway Borough	7.2	9.6	7.0
Prince of Wales-Outer Ketchikan	11.1	12.2	11.2
Sitka Borough	5.2	5.7	3.9
Skagway-Hoonah-Angoon	8.2	11.3	8.4
Wrangell-Petersburg	6.8	9.8	8.9
Yakutat Borough	13.8	11.2	16.9
Southwest Region	12.3	11.7	12.2
Aleutians East Borough	3.8	3.6	4.5
Aleutians West	11.7	9.4	11.6
Bethel	12.3	11.4	12.4
Bristol Bay Borough	8.8	12.9	7.7
Dillingham	8.8	11.1	9.9
Lake & Peninsula Borough	10.4	11.6	10.9
Wade Hampton	22.3	20.5	20.6
Seasonally Adjusted			
United States	5.8	6.0	4.4
Alaska Statewide	6.0	6.6	6.3

2000 Benchmark

Comparisons between different time periods are not as meaningful as other time series produced by Research and Analysis. The official definition of unemployment currently in place excludes anyone who has not made an active attempt to find work in the four-week period up to and including the week that includes the 12th of the reference month. Due to the scarcity of employment opportunities in rural Alaska, many individuals do not meet the official definition of unemployed because they have not conducted an active job search. They are considered not in the labor force.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

projects and do not signal poor economic conditions. Developments in Cook Inlet are countering the temporary lull of oil industry activity on the North Slope. Exploration and future development could create jobs on the Kenai Peninsula.

Is gold mining industry in an “up” cycle?

Good news spread in Alaska’s gold mining camps. Gold prices have substantially risen since January 2002 and were above the \$300 mark on most trading days in April and May, ending a long downturn. (See Exhibit 1.) Demand has picked up in Asia, where private investors hoard gold to safeguard individual wealth. Stagnant low returns on investments and deep cutting losses on Asia’s financial markets are frequently cited as reasons for the demand surge. This has placed Alaska’s two major gold producers in a much more favorable business environment. Plans to build a third mine, the Pogo complex, are progressing. Price developments could also prompt placer miners to resume or step up prospecting effort.

Several export markets are in a slump

Downturn persists in Alaska’s timber and salmon markets. Foreign competition has worsened Alaska’s position as an exporter to global markets. This situation strongly affects regional economic performance in the state, and largely explains employment losses experienced in the Gulf Coast, Southeast and Southwest Alaska.

The troubled salmon market may bring down seafood processing employment this season. Some processors have announced that they will reduce plant capacity and impose delivery restrictions on their fleets, impacting employment and harvest participation. The economic impact of those lost jobs may be limited because so many of the processing crews are seasonal workers from out of state. Areas with a high percentage of resident workers may experience stronger negative impacts. Developments on the harvester side also cause concern. Low salmon prices mean slim earnings for many local salmon fishers and their crews. Their lower earnings will erode the economic base in fishing communities.

Alaska coal recently joined the ranks of market share losers. Usibelli, Alaska’s only coal mine, severed its international ties with Korea, and laid off about 30 workers. The loss of year round, good paying jobs will be felt in the sparsely populated Denali Borough. Workers hope to regain their jobs when the Healy power plant resumes operations fired with Healy coal, after a proposed retrofit.

Unemployment rate: a technical note

Alaska’s unemployment rate remains low, however, it has shown some unusual volatility in recent months. The reason may be more statistical than economic. The unemployment rate is an estimate generated from several sample inputs, and it exhibits some variability. At the state level the rate is accurate 90 percent of the time to within 0.5 percentage points. This means that 90 percent of the time the method used to estimate May’s rate of 5.8% would generate an estimate between 5.3% and 6.3%, a rather broad range.

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